

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ALVORD AND ALVORD
ATTORNEYS AT LAW
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WASHINGTON, D.C.
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RECORDATION NO. 23799-B FILED

DEC 28 '01 4-05 PM

SURFACE TRANSPORTATION BOARD
OF COUNSEL
URBAN A. LESTER

December 28, 2001

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Supplement No. 1 to Security Agreement, dated as of December 28, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Security Agreement which is being filed with the Board under Recordation Number _____-A.

The names and addresses of the parties to the enclosed document are:

Certificate Trustee:	Wells Fargo Bank Northwest, National Association 79 South Main Street, 3 rd Floor Salt Lake City, Utah 84111
Administrative Agent:	Wells Fargo Bank Nevada, National Association (Administrative Agent on behalf of the Lenders) c/o Wells Fargo Bank Northwest, National Association 79 South Main Street, 3 rd Floor Salt Lake City, Utah 84111

Mr. Vernon A. Williams
December 28, 2001
Page 2

A description of the railroad equipment covered by the enclosed document is:

Two thousand four hundred and thirty-eight (2,438) assorted railcars within each of the following series: CP 214420– CP 214567 not inclusive, CP 218000 – CP 218374 inclusive, CP 220002– CP 220519 not inclusive, CP 355000 – CP 355234 inclusive, CP 963625 – CP 964249 inclusive, NOKL 963000 – NOKL 963624 not inclusive, as more fully set forth on Exhibit A attached hereto (the "Railroad Equipment").

A short summary of the document to appear in the index is:

Security Agreement.

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

SUPPLEMENT NO. 1 TO SECURITY AGREEMENT

This Supplement No. 1 (this "**Supplement**"), dated December 28, 2001, to the Security Agreement dated as of December 28, 2001 (the "**Security Agreement**") between Wells Fargo Bank Northwest, National Association, a national banking association, in its capacity as Certificate Trustee, ("**Certificate Trustee**") and Wells Fargo Bank Nevada, National Association, not in its individual capacity, except as expressly stated herein, but solely as Administrative Agent, for and on behalf of the Lenders ("**Administrative Agent**"). Capitalized terms used herein but not otherwise defined have the meanings specified in the Security Agreement.

The parties hereto agree as follows:

- (1) **CSA Supplements.** In accordance with the Security Agreement, the Certificate Trustee has executed this Supplement to subject the CSA, as supplemented by each of the CSA Supplements dated December 28, 2001 between Certificate Trustee and each of 3720659 Canada Ltd., 3870987 Canada Inc., 3942252 Canada Inc., and 3942261 Canada Inc., and the Units covered by each such CSA Supplement, to the Security Agreement. A copy of each such CSA Supplement is attached hereto as Schedule I, and a description of the Units covered by such CSA Supplement is set forth in Schedule I to such CSA Supplement.
- (2) **Integrated Security Agreement.** Following the execution and delivery of this Supplement, this Supplement, and all supplements previously delivered under the Security Agreement, shall constitute a part of the Security Agreement.
- (3) **Confirmation.** Except as expressly supplemented hereby, the provisions of the Security Agreement are and shall remain in full force and effect. Further, the Certificate Trustee hereby reaffirms its obligations under the Security Agreement.

[END OF PAGE]

[SIGNATURE PAGE FOLLOWS]

RECORDATION NO. 23799-B FILED

DEC 28 '01 4-05 PM

SURFACE TRANSPORTATION BOARD

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to be duly executed and delivered on the day and year first above written.

**WELLS FARGO BANK NORTHWEST,
NATIONAL ASSOCIATION**, as Certificate
Trustee

By: 

Name:

Title:

**C. Scott Nielsen
Vice President**

**WELLS FARGO BANK NEVADA,
NATIONAL ASSOCIATION**, as
Administrative Agent, for and on
behalf of the Lenders

By: 

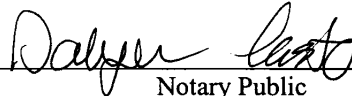
Name:

Title:

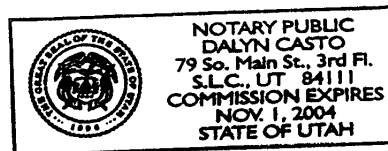
**C. SCOTT NIELSEN
TRUST OFFICER**

STATE OF UTAH)
)
COUNTY OF SALT LAKE) SS

On this 27 day of December, 2001, before me personally appeared C. Scott Nielsen to me personally known, who being by me duly sworn, say that he is a Trust Officer of WELLS FARGO BANK NEVADA, NATIONAL ASSOCIATION, that said instrument was signed on such date on behalf of said association, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.



Notary Public

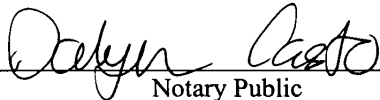


[NOTARIAL SEAL]

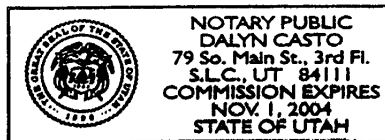
My Commission Expires:

STATE OF UTAH)
) SS
COUNTY OF SALT LAKE)

On this 27 day of December, 2001, before me personally appeared C. Scott Nielsen to me personally known, who being by me duly sworn, say that he is a Trust Officer of WELLS FARGO BANK NEVADA, NATIONAL ASSOCIATION, that said instrument was signed on such date on behalf of said association, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.



Notary Public

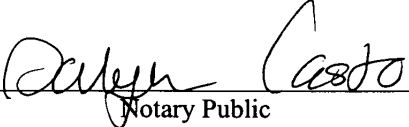


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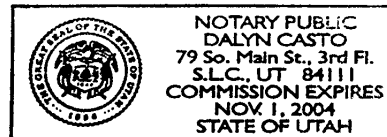
My Commission Expires:

STATE OF UTAH)
) SS
COUNTY OF SALT LAKE)

On this 27 day of December, 2001, before me personally appeared C. Scott Nielsen to me personally known, who being by me duly sworn, say that he is a Vice President of WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, that said instrument was signed on such date on behalf of said association, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.



Notary Public



EXECUTION COPY

Schedule I – CSA Supplements

K:\BANK\PAW\BANK OF
AMERICA\CP\EXECUTION\SUPPLEMENT NO 1. TO
SECURITY AGREEMENT X.DOC

SUPPLEMENT NO. 1 TO SECURITY AGREEMENT

CSA Supplement

TO MASTER CONDITIONAL SALE AGREEMENT

DATED AS OF DECEMBER 28, 2001

This CSA SUPPLEMENT dated December 28, 2001 (this "**CSA Supplement**") between 3720659 CANADA LTD. (the "**Conditional Purchaser**"), and WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely as Certificate Trustee under the Trust Agreement (the "**Conditional Seller**");

WITNESSETH:

Conditional Purchaser and Conditional Seller have heretofore entered into that certain Master Conditional Sale Agreement dated as of December 28, 2001 (the "**Agreement**"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings specified in the Agreement; and

The Agreement provides for the execution and delivery of a CSA Supplement on each Advance Date substantially in the form hereof for the purpose of confirming the conditional sale of certain Units and setting forth certain other matters, all as required pursuant to the Agreement;

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, Conditional Seller and Conditional Purchaser hereby agree as follows:

1. *Sale of Equipment.* Subject to and in accordance with the terms of the Agreement, the Conditional Seller hereby sells, transfers and assigns to the Conditional Purchaser the Units (the "**Advance Date Equipment**") described in Schedule I attached hereto.
2. *Purchase Price.* The Purchase Price of the Advance Date Equipment subject to this CSA Supplement is U.S. \$65,512,125.00.
3. *Interest, Instalments and Residual Value Amount.* Interest shall be payable on the unpaid portion of the Purchase Price from and including the date hereof to and including the date of payment in full of the Purchase Price in accordance with the Agreement. From and after the Base Term Commencement Date, Conditional Purchaser shall repay the principal outstanding balance of the Purchase Price in accordance with the schedule of Purchase Price Instalments set forth in Schedule II attached hereto. The percentage for the purpose of calculating the Residual Value Amount for the Advance Date Equipment is set forth on Schedule II hereto.
4. *Reservation of Title.* This CSA Supplement is given in exchange for the Advance Date Equipment and title to the Advance Date Equipment shall remain in the Conditional Seller until, and the security interest and hypothec provided for in Section 12 of the Agreement shall secure and remain in effect until, payment of the Purchase Price, interest on the Purchase Price and all other amounts owing by Conditional Purchaser to Conditional Seller under this CSA Supplement, the Agreement or any of the other Operative Documents in respect of the Advance

[Filed with the Surface Transportation Board pursuant to 49 U.S.C. § 11303 on _____, 200_, at [] a.m., Recordation Number [], and a Memorandum in respect of which was deposited in the office of the Registrar General of Canada pursuant to § 105 of the Canada Transportation Act on _____, 200_, at [] a.m.]

Date Equipment and Conditional Purchaser hereby grants to the Conditional Seller a hypothec and purchase-money security interest in such Advance Date Equipment.

5. *Incorporation into Agreement.* This CSA Supplement shall be construed in connection with and as part of the Agreement, and all terms, conditions and covenants contained in the Agreement, as supplemented by this CSA Supplement, shall be and remain in full force and effect and shall govern the Units described on Schedule I hereto.

6. *Counterparts.* This CSA Supplement may be executed in any number of counterparts, each executed counterpart constituting an original but all together one and the same instrument.

7. *Governing Law.* THIS CSA SUPPLEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE PROVINCE OF ALBERTA AND THE LAWS OF CANADA APPLICABLE IN THE PROVINCE OF ALBERTA.

8. *Liability of Conditional Seller Limited.* The parties hereto agree that Wells Fargo Bank Northwest, National Association, in its individual capacity ("**Wells Fargo**"), shall have no personal liability whatsoever to Conditional Purchaser or its respective successors and assigns for any Claim based on or in respect of this Agreement or any of the other Operative Documents or arising in any way from the transactions contemplated hereby or thereby; *provided, however*, that Wells Fargo shall be liable in its individual capacity (a) for its own wilful misconduct or gross negligence (or negligence in the handling of funds), (b) for liabilities that may result from the incorrectness of any representation or warranty expressly made by it in its individual capacity in Section 4.3 of the Participation Agreement or from the failure of Wells Fargo to perform its covenants and agreements set forth in Section 6.2 of the Participation Agreement, or (c) for any Tax based on or measured by any fees, commission or compensation received by it for acting as Conditional Seller as contemplated by the Operative Documents. It is understood and agreed that, except as provided in the preceding proviso: (i) Wells Fargo shall have no personal liability under any of the Operative Documents as a result of acting pursuant to and consistent with any of the Operative Documents; (ii) all obligations of Conditional Seller to Conditional Purchaser are solely nonrecourse obligations except to the extent that it has received payment from others; (iii) all such personal liability of Wells Fargo is expressly waived and released as a condition of, and as consideration for, the execution and delivery of the Operative Documents by Wells Fargo and (iv) this Agreement is executed and delivered by Wells Fargo solely as Certificate Trustee in the exercise of the powers expressly conferred upon it as Conditional Seller under the Trust Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this CSA Supplement to be duly executed and delivered on the day and year first above written.

**WELLS FARGO BANK NORTHWEST,
NATIONAL ASSOCIATION**, not in its
individual capacity, but solely as Certificate
Trustee, as Conditional Seller

By: _____

Name:

Title:

3720659 CANADA LTD., as Initial Conditional
Purchaser

By: _____

Name:

Title:

SCHEDULE I
TO CSA SUPPLEMENT

Description of Units

NUMBER OF UNITS PURCHASED BY SELLER AND SUBJECT TO THIS CSA <u>SUPPLEMENT</u>	<u>TYPE OF CAR</u>	CAR NUMBERS (<u>INCLUSIVE</u>)	PURCHASE PRICE (<u>PER UNIT</u>)
1239	Aluminum Coal Cars: aluminum inside stake, bethgon, 286K (GRL) Plate B, 4,800 cu. ft. capacity for rotary dump service	NOKL 963000 to and including NOKL 963624 (excepting those bearing car numbers NOKL 963248 to and including NOKL 963252, NOKL 963254, NOKL 963255, NOKL 963333, NOKL 963334, NOKL 963310, NOKL 963340) and CP 963625 to and including CP 964249	US\$52,875.00

SCHEDULE II
TO CSA SUPPLEMENT

Residual Value Amount and Purchase Price Instalments

Percentage to determine Residual Value Amount:

Purchase Price Instalments

Payment Date

[Filed with the Surface Transportation Board pursuant to 49 U.S.C. § 11303 on _____, 200_, at [] a.m., Recordation Number [], and a Memorandum in respect of which was deposited in the office of the Registrar General of Canada pursuant to § 105 of the Canada Transportation Act on _____, 200_, at [] a.m.]

CSA Supplement

TO MASTER CONDITIONAL SALE AGREEMENT DATED AS OF DECEMBER 28, 2001

This CSA SUPPLEMENT dated December 28, 2001 (this "**CSA Supplement**") between 3870987 CANADA INC. (the "**Conditional Purchaser**"), and WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely as Certificate Trustee under the Trust Agreement (the "**Conditional Seller**");

WITNESSETH:

Conditional Purchaser and Conditional Seller have heretofore entered into that certain Master Conditional Sale Agreement dated as of December 28, 2001 (the "**Agreement**"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings specified in the Agreement; and

The Agreement provides for the execution and delivery of a CSA Supplement on each Advance Date substantially in the form hereof for the purpose of confirming the conditional sale of certain Units and setting forth certain other matters, all as required pursuant to the Agreement;

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, Conditional Seller and Conditional Purchaser hereby agree as follows:

1. *Sale of Equipment.* Subject to and in accordance with the terms of the Agreement, the Conditional Seller hereby sells, transfers and assigns to the Conditional Purchaser the Units (the "**Advance Date Equipment**") described in Schedule I attached hereto.
2. *Purchase Price.* The Purchase Price of the Advance Date Equipment subject to this CSA Supplement is U.S. \$54,965,958.00
3. *Interest, Instalments and Residual Value Amount.* Interest shall be payable on the unpaid portion of the Purchase Price from and including the date hereof to and including the date of payment in full of the Purchase Price in accordance with the Agreement. From and after the Base Term Commencement Date, Conditional Purchaser shall repay the principal outstanding balance of the Purchase Price in accordance with the schedule of Purchase Price Instalments set forth in Schedule II attached hereto. The percentage for the purpose of calculating the Residual Value Amount for the Advance Date Equipment is set forth on Schedule II hereto.
4. *Reservation of Title.* This CSA Supplement is given in exchange for the Advance Date Equipment and title to the Advance Date Equipment shall remain in the Conditional Seller until, and the security interest and hypothec provided for in Section 12 of the Agreement shall secure and remain in effect until, payment of the Purchase Price, interest on the Purchase Price and all other amounts owing by Conditional Purchaser to Conditional Seller under this CSA Supplement, the Agreement or any of the other Operative Documents in respect of the Advance

[Filed with the Surface Transportation Board pursuant to 49 U.S.C. § 11303 on _____, 200_, at [] a.m., Recordation Number [], and a Memorandum in respect of which was deposited in the office of the Registrar General of Canada pursuant to § 105 of the Canada Transportation Act on _____, 200_, at [] a.m.]

Date Equipment and Conditional Purchaser hereby grants to the Conditional Seller a hypothec and purchase-money security interest in such Advance Date Equipment.

5. *Incorporation into Agreement.* This CSA Supplement shall be construed in connection with and as part of the Agreement, and all terms, conditions and covenants contained in the Agreement, as supplemented by this CSA Supplement, shall be and remain in full force and effect and shall govern the Units described on Schedule I hereto.

6. *Counterparts.* This CSA Supplement may be executed in any number of counterparts, each executed counterpart constituting an original but all together one and the same instrument.

7. *Governing Law.* THIS CSA SUPPLEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE PROVINCE OF ALBERTA AND THE LAWS OF CANADA APPLICABLE IN THE PROVINCE OF ALBERTA.

8. *Liability of Conditional Seller Limited.* The parties hereto agree that Wells Fargo Bank Northwest, National Association, in its individual capacity ("**Wells Fargo**"), shall have no personal liability whatsoever to Conditional Purchaser or its respective successors and assigns for any Claim based on or in respect of this Agreement or any of the other Operative Documents or arising in any way from the transactions contemplated hereby or thereby; *provided, however*, that Wells Fargo shall be liable in its individual capacity (a) for its own wilful misconduct or gross negligence (or negligence in the handling of funds), (b) for liabilities that may result from the incorrectness of any representation or warranty expressly made by it in its individual capacity in Section 4.3 of the Participation Agreement or from the failure of Wells Fargo to perform its covenants and agreements set forth in Section 6.2 of the Participation Agreement, or (c) for any Tax based on or measured by any fees, commission or compensation received by it for acting as Conditional Seller as contemplated by the Operative Documents. It is understood and agreed that, except as provided in the preceding proviso: (i) Wells Fargo shall have no personal liability under any of the Operative Documents as a result of acting pursuant to and consistent with any of the Operative Documents; (ii) all obligations of Conditional Seller to Conditional Purchaser are solely nonrecourse obligations except to the extent that it has received payment from others; (iii) all such personal liability of Wells Fargo is expressly waived and released as a condition of, and as consideration for, the execution and delivery of the Operative Documents by Wells Fargo and (iv) this Agreement is executed and delivered by Wells Fargo solely as Certificate Trustee in the exercise of the powers expressly conferred upon it as Conditional Seller under the Trust Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this CSA Supplement to be duly executed and delivered on the day and year first above written.

**WELLS FARGO BANK NORTHWEST,
NATIONAL ASSOCIATION**, not in its
individual capacity, but solely as Certificate
Trustee, as Conditional Seller

By: _____
Name:
Title:

3870987 CANADA INC., as Initial Conditional
Purchaser

By: _____
Name:
Title:

SCHEDULE I
TO CSA SUPPLEMENT

Description of Units

NUMBER OF UNITS PURCHASED BY SELLER AND SUBJECT TO THIS CSA SUPPLEMENT	TYPE OF CAR	CAR NUMBERS (INCLUSIVE)	PURCHASE PRICE (PER UNIT)
375	OSB Box cars: 60' 9" inside length, 9'6" inside width, 286K (GRL), Plate F, lading anchors, double plug doors and 15" end-of- car cushioning	CP 218000 to and including CP 218374	US\$64,742.00
474	Paper Box Cars: 62' inside length, 9'7" inside width, 286K (GRL), Plate F, lading anchors, double plug doors and 18" end-of- car cushioning	CP 220104 CP 220165 CP 220156 CP 220099 CP 220153 CP 220155 CP 220158 CP 220136 CP 220141 CP 220152 CP 220151 CP 220164 CP 220171 CP 220172 CP 220173 CP 220168 CP 220170 CP 220112 CP 220120 CP 220121 CP 220123 CP 220128 CP 220129 CP 220131 CP 220135 CP 220137	US\$64,742.00

CP 220139
CP 220142
CP 220145
CP 220146
CP 220147
CP 220148
CP 220144
CP 220150
CP 220157
CP 220174
CP 220177
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CP 220003
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CP 220408
CP 220513
CP 220519

SCHEDULE II
TO CSA SUPPLEMENT

Residual Value Amount and Purchase Price Instalments

Percentage to determine Residual Value Amount:

Purchase Price Instalments

Payment Dates

[Filed with the Surface Transportation Board pursuant to 49 U.S.C. § 11303 on _____, 200_, at [____] a.m., Recordation Number [____], and a Memorandum in respect of which was deposited in the office of the Registrar General of Canada pursuant to § 105 of the Canada Transportation Act on _____, 200_, at [____] a.m.]

CSA Supplement

TO MASTER CONDITIONAL SALE AGREEMENT DATED AS OF DECEMBER 28, 2001

This CSA SUPPLEMENT dated December 28, 2001 (this "**CSA Supplement**") between 3942252 CANADA INC. (the "**Conditional Purchaser**"), and WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely as Certificate Trustee under the Trust Agreement (the "**Conditional Seller**");

WITNESSETH:

Conditional Purchaser and Conditional Seller have heretofore entered into that certain Master Conditional Sale Agreement dated as of December 28, 2001 (the "**Agreement**"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings specified in the Agreement; and

The Agreement provides for the execution and delivery of a CSA Supplement on each Advance Date substantially in the form hereof for the purpose of confirming the conditional sale of certain Units and setting forth certain other matters, all as required pursuant to the Agreement;

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, Conditional Seller and Conditional Purchaser hereby agree as follows:

1. *Sale of Equipment.* Subject to and in accordance with the terms of the Agreement, the Conditional Seller hereby sells, transfers and assigns to the Conditional Purchaser the Units (the "**Advance Date Equipment**") described in Schedule I attached hereto.
2. *Purchase Price.* The Purchase Price of the Advance Date Equipment subject to this CSA Supplement is U.S. \$4,933,730.00.
3. *Interest, Instalments and Residual Value Amount.* Interest shall be payable on the unpaid portion of the Purchase Price from and including the date hereof to and including the date of payment in full of the Purchase Price in accordance with the Agreement. From and after the Base Term Commencement Date, Conditional Purchaser shall repay the principal outstanding balance of the Purchase Price in accordance with the schedule of Purchase Price Instalments set forth in Schedule II attached hereto. The percentage for the purpose of calculating the Residual Value Amount for the Advance Date Equipment is set forth on Schedule II hereto.
4. *Reservation of Title.* This CSA Supplement is given in exchange for the Advance Date Equipment and title to the Advance Date Equipment shall remain in the Conditional Seller until, and the security interest and hypothec provided for in Section 12 of the Agreement shall secure and remain in effect until, payment of the Purchase Price, interest on the Purchase Price and all other amounts owing by Conditional Purchaser to Conditional Seller under this CSA Supplement, the Agreement or any of the other Operative Documents in respect of the Advance

[Filed with the Surface Transportation Board pursuant to 49 U.S.C. § 11303 on _____, 200_, at [] a.m., Recordation Number [], and a Memorandum in respect of which was deposited in the office of the Registrar General of Canada pursuant to § 105 of the Canada Transportation Act on _____, 200_, at [] a.m.]

Date Equipment and Conditional Purchaser hereby grants to the Conditional Seller a hypothec and purchase-money security interest in such Advance Date Equipment.

5. *Incorporation into Agreement.* This CSA Supplement shall be construed in connection with and as part of the Agreement, and all terms, conditions and covenants contained in the Agreement, as supplemented by this CSA Supplement, shall be and remain in full force and effect and shall govern the Units described on Schedule I hereto.

6. *Counterparts.* This CSA Supplement may be executed in any number of counterparts, each executed counterpart constituting an original but all together one and the same instrument.

7. *Governing Law.* THIS CSA SUPPLEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE PROVINCE OF ALBERTA AND THE LAWS OF CANADA APPLICABLE IN THE PROVINCE OF ALBERTA.

8. *Liability of Conditional Seller Limited.* The parties hereto agree that Wells Fargo Bank Northwest, National Association, in its individual capacity ("**Wells Fargo**"), shall have no personal liability whatsoever to Conditional Purchaser or its respective successors and assigns for any Claim based on or in respect of this Agreement or any of the other Operative Documents or arising in any way from the transactions contemplated hereby or thereby; *provided, however*, that Wells Fargo shall be liable in its individual capacity (a) for its own wilful misconduct or gross negligence (or negligence in the handling of funds), (b) for liabilities that may result from the incorrectness of any representation or warranty expressly made by it in its individual capacity in Section 4.3 of the Participation Agreement or from the failure of Wells Fargo to perform its covenants and agreements set forth in Section 6.2 of the Participation Agreement, or (c) for any Tax based on or measured by any fees, commission or compensation received by it for acting as Conditional Seller as contemplated by the Operative Documents. It is understood and agreed that, except as provided in the preceding proviso: (i) Wells Fargo shall have no personal liability under any of the Operative Documents as a result of acting pursuant to and consistent with any of the Operative Documents; (ii) all obligations of Conditional Seller to Conditional Purchaser are solely nonrecourse obligations except to the extent that it has received payment from others; (iii) all such personal liability of Wells Fargo is expressly waived and released as a condition of, and as consideration for, the execution and delivery of the Operative Documents by Wells Fargo and (iv) this Agreement is executed and delivered by Wells Fargo solely as Certificate Trustee in the exercise of the powers expressly conferred upon it as Conditional Seller under the Trust Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this CSA Supplement to be duly executed and delivered on the day and year first above written.

**WELLS FARGO BANK NORTHWEST,
NATIONAL ASSOCIATION**, not in its
individual capacity, but solely as Certificate
Trustee, as Conditional Seller

By: _____
Name:
Title:

3942252 CANADA INC., as Initial Conditional
Purchaser

By: _____
Name:
Title:

SCHEDULE I
TO CSA SUPPLEMENT

Description of Units

NUMBER OF UNITS PURCHASED BY SELLER AND SUBJECT TO THIS CSA SUPPLEMENT	TYPE OF CAR	CAR NUMBERS (INCLUSIVE)		PURCHASE PRICE (PER UNIT)
		<u>Old Number</u>	<u>New Number</u>	
115	Upgraded Pulp Box Cars: 50' 6" inside length, 268K (GRL), Plate C, sliding doors, non-cushioned for pulp service	CP 211726	CP 214428	US\$42,902.00
		CP 211719	CP 214424	
		CP 211717	CP 214422	
		CP 211716	CP 214421	
		CP 211718	CP 214423	
		CP 211720	CP 214425	
		CP 211729	CP 214431	
		CP 211727	CP 214429	
		CP 211728	CP 214430	
		CP 211722	CP 214433	
		CP 211723	CP 214426	
		CP 211725	CP 214420	
		CP 209909	CP 214489	
		CP 209916	CP 214488	
		CP 209920	CP 214485	
		CP 209980	CP 214473	
		CP 209983	CP 214474	

CP 209995	CP 214482
CP 211730	CP 214434
CP 211738	CP 214449
CP 209907	CP 214484
CP 209917	CP 214491
CP 209922	CP 214487
CP 209925	CP 214481
CP 209928	CP 214490
CP 209949	CP 214476
CP 209958	CP 214507
CP 209959	CP 214483
CP 209961	CP 214510
CP 209971	CP 214475
CP 209977	CP 214477
CP 209981	CP 214470
CP 209991	CP 214494
CP 211721	CP 214432
CP 209908	CP 214499
CP 209926	CP 214492
CP 209940	CP 214498
CP 209955	CP 214495
CP 209960	CP 214509
CP 209963	CP 214512
CP 209986	CP 214527

CP 209989	CP 214479
CP 209929	CP 214496
CP 209931	CP 214501
CP 209941	CP 214502
CP 209962	CP 214511
CP 209985	CP 214500
CP 209990	CP 214493
CP 209918	CP 214503
CP 209933	CP 214505
CP 209951	CP 214526
CP 209970	CP 214517
CP 209903	CP 214497
CP 209913	CP 214515
CP 209923	CP 214555
CP 209967	CP 214478
CP 209965	CP 214541
CP 209966	CP 214506
CP 209988	CP 214529
CP 209994	CP 214533
CP 209902	CP 214472
CP 209904	CP 214508
CP 211683	CP 214455
CP 211686	CP 214458
CP 209905	CP 214480

CP 209915	CP 214530
CP 209919	CP 214486
CP 209968	CP 214537
CP 209975	CP 214521
CP 209982	CP 214553
CP 209912	CP 214543
CP 209932	CP 214552
CP 209945	CP 214539
CP 209948	CP 214547
CP 209978	CP 214523
CP 209984	CP 214525
CP 209998	CP 214563
CP 209999	CP 214518
CP 209901	CP 214471
CP 209911	CP 214514
CP 209935	CP 214559
CP 209964	CP 214548
CP 209987	CP 214528
CP 209900	CP 214524
CP 209914	CP 214545
CP 209973	CP 214519
CP 211671	CP 214453
CP 209910	CP 214565
CP 209924	CP 214546

CP 209969	CP 214516
CP 209974	CP 214520
CP 209996	CP 214513
CP 209937	CP 214564
CP 209938	CP 214531
CP 209946	CP 214554
CP 209976	CP 214522
CP 209997	CP 214538
CP 209930	CP 214567
CP 209947	CP 214558
CP 209954	CP 214550
CP 209957	CP 214535
CP 209927	CP 214556
CP 209934	CP 214551
CP 209942	CP 214542
CP 209943	CP 214560
CP 209950	CP 214549
CP 209952	CP 214540
CP 209906	CP 214544
CP 209936	CP 214536
CP 209972	CP 214534
CP 209979	CP 214562
CP 209939	CP 214532
CP 209944	CP 214566

CP 209953 CP 214504

CP 209956 CP 214561

SCHEDULE II
TO CSA SUPPLEMENT

Residual Value Amount and Purchase Price Instalments

Percentage to determine Residual Value Amount:

Purchase Price Instalments

Payment Dates

[Filed with the Surface Transportation Board pursuant to 49 U.S.C. § 11303 on _____, 200_, at [_____] a.m., Recordation Number [____], and a Memorandum in respect of which was deposited in the office of the Registrar General of Canada pursuant to § 105 of the Canada Transportation Act on _____, 200_, at [_____] a.m.]

CSA Supplement

**TO MASTER CONDITIONAL SALE AGREEMENT
DATED AS OF DECEMBER 28, 2001**

This CSA SUPPLEMENT dated December 28, 2001 (this "**CSA Supplement**") between 3942261 CANADA INC. (the "**Conditional Purchaser**"), and WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely as Certificate Trustee under the Trust Agreement (the "**Conditional Seller**");

WITNESSETH:

Conditional Purchaser and Conditional Seller have heretofore entered into that certain Master Conditional Sale Agreement dated as of December 28, 2001 (the "**Agreement**"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings specified in the Agreement; and

The Agreement provides for the execution and delivery of a CSA Supplement on each Advance Date substantially in the form hereof for the purpose of confirming the conditional sale of certain Units and setting forth certain other matters, all as required pursuant to the Agreement;

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, Conditional Seller and Conditional Purchaser hereby agree as follows:

1. *Sale of Equipment.* Subject to and in accordance with the terms of the Agreement, the Conditional Seller hereby sells, transfers and assigns to the Conditional Purchaser the Units (the "**Advance Date Equipment**") described in Schedule I attached hereto.
2. *Purchase Price.* The Purchase Price of the Advance Date Equipment subject to this CSA Supplement is US \$10,887,477.15.
3. *Interest, Instalments and Residual Value Amount.* Interest shall be payable on the unpaid portion of the Purchase Price from and including the date hereof to and including the date of payment in full of the Purchase Price in accordance with the Agreement. From and after the Base Term Commencement Date, Conditional Purchaser shall repay the principal outstanding balance of the Purchase Price in accordance with the schedule of Purchase Price Instalments set forth in Schedule II attached hereto. The percentage for the purpose of calculating the Residual Value Amount for the Advance Date Equipment is set forth on Schedule II hereto.
4. *Reservation of Title.* This CSA Supplement is given in exchange for the Advance Date Equipment and title to the Advance Date Equipment shall remain in the Conditional Seller until, and the security interest and hypothec provided for in Section 12 of the Agreement shall secure and remain in effect until, payment of the Purchase Price, interest on the Purchase Price and all

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other amounts owing by Conditional Purchaser to Conditional Seller under this CSA Supplement, the Agreement or any of the other Operative Documents in respect of the Advance Date Equipment and Conditional Purchaser hereby grants to the Conditional Seller a hypothec and purchase-money security interest in such Advance Date Equipment.

5. *Incorporation into Agreement.* This CSA Supplement shall be construed in connection with and as part of the Agreement, and all terms, conditions and covenants contained in the Agreement, as supplemented by this CSA Supplement, shall be and remain in full force and effect and shall govern the Units described on Schedule I hereto.

6. *Counterparts.* This CSA Supplement may be executed in any number of counterparts, each executed counterpart constituting an original but all together one and the same instrument.

7. *Governing Law.* THIS CSA SUPPLEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE PROVINCE OF ALBERTA AND THE LAWS OF CANADA APPLICABLE IN THE PROVINCE OF ALBERTA.

8. *Liability of Conditional Seller Limited.* The parties hereto agree that Wells Fargo Bank Northwest, National Association, in its individual capacity ("**Wells Fargo**"), shall have no personal liability whatsoever to Conditional Purchaser or its respective successors and assigns for any Claim based on or in respect of this Agreement or any of the other Operative Documents or arising in any way from the transactions contemplated hereby or thereby; *provided, however*, that Wells Fargo shall be liable in its individual capacity (a) for its own wilful misconduct or gross negligence (or negligence in the handling of funds), (b) for liabilities that may result from the incorrectness of any representation or warranty expressly made by it in its individual capacity in Section 4.3 of the Participation Agreement or from the failure of Wells Fargo to perform its covenants and agreements set forth in Section 6.2 of the Participation Agreement, or (c) for any Tax based on or measured by any fees, commission or compensation received by it for acting as Conditional Seller as contemplated by the Operative Documents. It is understood and agreed that, except as provided in the preceding proviso: (i) Wells Fargo shall have no personal liability under any of the Operative Documents as a result of acting pursuant to and consistent with any of the Operative Documents; (ii) all obligations of Conditional Seller to Conditional Purchaser are solely nonrecourse obligations except to the extent that it has received payment from others; (iii) all such personal liability of Wells Fargo is expressly waived and released as a condition of, and as consideration for, the execution and delivery of the Operative Documents by Wells Fargo and (iv) this Agreement is executed and delivered by Wells Fargo solely as Certificate Trustee in the exercise of the powers expressly conferred upon it as Conditional Seller under the Trust Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this CSA Supplement to be duly executed and delivered on the day and year first above written.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this CSA Supplement to be duly executed and delivered on the day and year first above written.

**WELLS FARGO BANK NORTHWEST,
NATIONAL ASSOCIATION**, not in its
individual capacity, but solely as Certificate
Trustee, as Conditional Seller

By: _____
Name:
Title:

3942261 CANADA INC., as Initial Conditional
Purchaser

By: _____
Name:
Title:

SCHEDULE I
TO CSA SUPPLEMENT

Description of Units

NUMBER OF UNITS PURCHASED BY SELLER AND SUBJECT TO THIS CSA <u>SUPPLEMENT</u>	<u>TYPE OF CAR</u>	CAR NUMBERS <u>(INCLUSIVE)</u>	PURCHASE PRICE <u>(PER UNIT)</u>
235	Gondola Cars: mill gondola, 66' inside length, 286K (GRL)	CP 355000 to and including CP 355234	US\$46,329.69

SCHEDULE II
TO CSA SUPPLEMENT

Residual Value Amount and Purchase Price Instalments

Percentage to determine Residual Value Amount:

Purchase Price Instalments

Payment Dates

[Filed with the Surface Transportation Board pursuant to 49 U.S.C. § 11303 on _____, 200_, at [] a.m., Recordation Number [], and a Memorandum in respect of which was deposited in the office of the Registrar General of Canada pursuant to § 105 of the Canada Transportation Act on _____, 200_, at [] a.m.]